

SENATE BILL NO. 421

INTRODUCED BY F. THOMAS, BECK, DEPRATU, DOHERTY, EKEGREN, GALLUS, GILLAN, GOLIE,
HARRINGTON, KEENAN, LAWSON, LEWIS, MAHLUM, MATTHEWS, MCNUTT, MUSGROVE, ROUSH,
SLITER, SPRAGUE, STEINBEISSER, TESTER

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING WHOLESALERS, MANUFACTURERS, OR
DISTRIBUTORS THAT TERMINATE, CANCEL, DO NOT RENEW, OR REFUSE TO CONTINUE A
DEALERSHIP CONTRACT TO REIMBURSE A RETAILER FOR, OR REPURCHASE FROM A RETAILER, SIGNS,
SPECIAL EQUIPMENT, FURNISHINGS, AND SPECIAL TOOLS ACQUIRED BY THE RETAILER AT THE
RECOMMENDATION OR REQUIREMENT OF THE WHOLESALER, MANUFACTURER, OR DISTRIBUTOR;
PROHIBITING THE UNREASONABLE WITHHOLDING OF CONSENT TO A DEALER'S SALE, TRANSFER,
OR EXCHANGE OF THE DEALER'S FRANCHISE BY A MANUFACTURER OF NEW MOTOR VEHICLES, A
FACTORY BRANCH, A DISTRIBUTOR, A DISTRIBUTOR BRANCH, AN IMPORTER, A FIELD
REPRESENTATIVE, AN OFFICER, AN AGENT, OR ANY REPRESENTATIVE; ~~AND~~ REQUIRING A RESPONSE
TO A DEALER'S REQUEST FOR CONSENT TO THE SALE, TRANSFER, OR EXCHANGE OF THE DEALER'S
FRANCHISE WITHIN ~~45~~ 60 DAYS OF RECEIPT OF THE REQUEST; AND PROVIDING AN IMMEDIATE
EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Reimbursement for or repurchase of signs, SPECIAL equipment, ~~furnishings,~~ and special tools.** Upon the termination, cancellation, nonrenewal, or refusal to continue a
dealership contract by a wholesaler, manufacturer, or distributor, the wholesaler, manufacturer, or
distributor shall pay the retailer:

(1) the original cost, adjusted for the remaining useful life, of each sign owned by the retailer that
bears a common name, trade name, or trademark of the wholesaler, manufacturer, or distributor, if the
acquisition of the sign was recommended or required by the wholesaler, manufacturer, or distributor;

(2) (a) the original cost, adjusted for the remaining useful life, of all SPECIAL equipment, ~~furnishings,~~
and special tools ~~owned~~ PURCHASED or leased by the retailer that were acquired from the wholesaler,
manufacturer, or distributor or sources approved by the wholesaler, manufacturer, or distributor and that

1 were recommended or required by the wholesaler, manufacturer, or distributor; or

2 (b) if the SPECIAL equipment HAS A SERVICE AGREEMENT, ~~furnishings~~, or THE special tools are leased
3 by the retailer, the amounts that are required ~~by the lessor~~ to terminate THE SERVICE AGREEMENT OR the lease
4 under the terms of the SERVICE OR lease agreement; and

5 (3) the cost of transporting, handling, packing, and loading the signs, SPECIAL equipment,
6 ~~furnishings~~, and special tools.

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8 NEW SECTION. Section 2. Sale, transfer, or exchange of dealership -- notice -- response to

9 notice. (1) A manufacturer of new motor vehicles, a factory branch, a distributor, a distributor branch,
10 an importer, a field representative, an officer, an agent, or any representative of the persons or entities
11 listed in this subsection may not unreasonably withhold consent to the sale, transfer, or exchange of a
12 franchise to a qualified buyer capable of being licensed as a new motor vehicle dealer in this state who
13 meets the state's statutory requirements for appointment as a dealer.

14 (2) (a) A manufacturer or distributor shall respond to a dealer in writing within ~~45~~ 60 days of
15 receipt of the dealer's request, delivered by certified mail to the manufacturer or distributor, for consent
16 to the sale, transfer, or exchange of the dealer's franchise submitted by the dealer to the manufacturer
17 or distributor pursuant to the provisions of subsection (1).

18 (b) The manufacturer shall acknowledge, in writing delivered by certified mail to the dealer and
19 the buyer designated in the dealer's request for consent, receipt of the request. Failure to respond within
20 the ~~45-day~~ 60-DAY period established in subsection (2)(a) is approval of the request.

21 (c) If the manufacturer or distributor requires additional information to complete its review, the
22 manufacturer or distributor shall notify the buyer in writing delivered by certified mail within 15 BUSINESS
23 days of receipt of the dealer's request. If the manufacturer or distributor requests additional information,
24 the ~~45-day~~ 60-DAY time period for approval runs from the time of the receipt of the requested supplemental
25 information. The manufacturer or dealer may request additional information only one time.

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27 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
28 integral part of Title 30, chapter 11, part 7, and the provisions of Title 30, chapter 11, part 7, apply to
29 [section 1].

30 (2) [Section 2] is intended to be codified as an integral part of Title 61, chapter 4, and the

1 provisions of Title 61, chapter 4, apply to [section 2].

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3 NEW SECTION. **Section 4. Saving clause.** [This act] does not affect rights and duties that
4 matured, penalties that were incurred, or proceedings that were begun before [the effective date of this
5 act].

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7 NEW SECTION. SECTION 5. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

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